



3 Great Things Going for Royal Bank of Canada (TSX:RY)

Description

All eyes are on the **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) as Canada's largest bank readies to release first-quarter results next month. Many are of the opinion that earnings growth of banks and financial institutions will weaken this year. But in the case of Royal Bank, that might not hold true.

The Royal Bank of Canada remains formidable and isn't on the verge of losing appeal as [a good investment prospect](#). Soothsayers might be referring to another bank or their crystal balls need cleaning. The diagnosis is somewhat erroneous and overblown. But if you're levelheaded, you'll see that the bank carries a lot of positives.

Three great things going for Royal Bank of Canada

Solid performance

The \$12.4 billion full-year earnings (ended October 31, 2018) reported by Royal Bank of Canada is a record that can't be snubbed. Four out of the five major business segments posted earnings growth. Only the net income of the Investor and Treasury services was flat.

The bank's Wealth Management services registered 23% earnings growth, which was attributed to the corresponding growth in average of fee-based client assets. The Capitals Market and Insurance units had 10% and 7% earnings growth, respectively. Personal & Commercial Banking posted a respectable 5% earnings growth.

Royal Bank has implemented a client-centric strategy for clarity and reporting purposes. Personal Financial Services, Cards, and Payment Solutions are now housed under Personal Banking. Business financial services is now known as Business Banking.

If you're looking for endurance, Royal Bank has been through the worst and toughest economic environments. Surviving recessions is nothing new. The bank comes out stronger after every challenging periods.

Consistent dividend payments

This prime bank can boast of consistent dividend payments. This is one aspect that reinforces solid performance. It's worth mentioning that of the 7.6% total returns delivered by the bank (fiscal year 2017-2018) 24% came from dividends.

Another data that shows the strength of Royal Bank stock is the 7% compound annual growth rate of the dividends. Even without this taking into account, the RY's performance in the last decade is 252%. Come hell or high water, your stock investment is secure with [a solid dividend income](#) at that.

Digitally enabled

All businesses across all sectors need to embrace emerging technologies to better compete in the marketplace. Royal Bank of Canada is no penny pincher when it comes to investing in technology.

The industry leader describes itself as a digitally enabled relationship bank. Many clients have opted to be served the digital way. Mobile sessions in 2018 increased 26% from the previous year, while digital adoption soared to 50%.

Stamp of approval

There's no need to beat around the bush. The Royal Bank of Canada will be around for decades to come. The great things mentioned here is practically a stamp of approval for the bank. At the current price of \$99.71, you'll get more than you bargained for.

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Date

2025/09/10

Date Created

2019/01/31

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